Calendar No. 634

98TH CONGRESS, 1st Session | SENATE | REPORT No. 98-341

PUBLIC WORKS IMPROVEMENT ACT OF 1983

NOVEMBER 18 (legislative day, NOVEMBER 14), 1983.—Ordered to be printed

Mr. STAFFORD, from the Committee on Environment and Public Works, submitted the following

REPORT

[To accompany S. 1330]

The Committee on Environment and Public Works, to which was referred the bill (S. 1330) to authorize the United States Army Corps of Engineers to provide grants to the several States to encourage and foster the construction of necessary public capital investment projects, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

GENERAL STATEMENT

Warnings that the Nation's public works infrastructure is crumbling, that it is deteriorating faster than it is being repaired or replaced, came to public attention over two years ago. A book entitled "America in Ruins," written by Pat Choate and Susan Walter and published by the Council of State Planning Agencies, presented an alarming array of statistics. Among others were the following:

> The 42,500 mile Interstate Highway System is deteriorating at a rate requiring reconstruction of 2,000 miles of road per year. Because of inadequate funding in the 1970's, over 8,000 miles of the system and 13 percent of its bridges are now beyond their designed service life and must be rebuilt.
>
> The costs of rehabilitation and new construction necessary to maintain existing levels of service on non-urban highways will exceed $700 billion during the 1980's.

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One of every five bridges in the U.S. requires either major rehabilitation or reconstruction ($33 billion)

The 756 urban areas with populations over 50,000 will require between $75 billion and $110 billion to maintain urban water system over the next 20 years. Approximately one-fifth of these communities will face investment shortfalls.

Over $25 billion in government funds will be required during the next five years to meet existing water pollution control standards.

Despite unmistakable evidence of such deterioration, the nation's public works investments, measured in constant dollars, fell from $38.6 billion in 1965 to less than $31 billion in 1977—a 21 percent decline. On a per capita basis, public works investments in constant dollars dropped from $189 per person in 1965 to $140 in 1977—a 29 percent decline. When measured against the value of the nation's Gross National Product, public works investments declined from 4.1 percent in 1965 to 2.3 percent in 1977—a 44 percent decline.

Dr. Choate estimated the total bill for overdue public works investment in the next 15 years at $2.5 to $3 trillion dollars.

By the end of 1982, nearly every major newspaper and news magazine had run articles on the problem and numerous States and local governments began surveys of public works conditions and needs within their jurisdiction.

Consequently the Committee on Environment and Public Works began hearings on the condition of the public infrastructure in January, 1983. Hearings were initiated because of this growing recognition on the part of the public and Congress that the Nation's existing infrastructure systems were deteriorating and inadequate to accommodate future economic and population growth. Through these hearings the Committee intended to explore the magnitude of the problem and potential solutions.

Six days of hearings were held between January and May. A variety of public and private witnesses testified including mayors, governors, public administrators, corporate executives, economists and other experts on public capital investments. The mayors and Governors detailed the public investment problems that their own cities and States were currently facing while other witnesses addressed the national pedicament. Several witnesses offered suggestions for potential Federal assistance efforts. Although all witnesses agreed that a severe problem of large magnitude existed, recommendations for solutions diverged.

During these hearings, the Committee considered a variety of bills that addressed the infrastructure problem in different ways:

S. 23, the "Rebuilding of America Act of 1983", introduced by Senator Moynihan, was identical to S. 2926 which he introduced September, 1982. The bill proposed a national commission to inventory the Nation's infrastructure, develop a ten year investment plan for rebuilding the Nation's public works, recommend changes in Federal programs, and study the usefulness of a capital investment schedule in the Federal budget.

S. 532, "The Public Investment Incentive Act of 1983", introduced by Senator Domenici, proposed a National Infrastructure Council to oversee Federal capitalization of State infrastructure banks.

S. 871, "The Regional Economic Development Act of 1983", introduced by Senator Mitchell, proposed a national economic development project grant program.

S. 1330, "The Public Capital Investment Act of 1983" was introduced in May by Senators Stafford and Randolph. The bill had two major elements. Title I of the bill would have established a grant program to assist States in setting up infrastructure banks or revolving loan funds. Title II would have established a countercyclical public works grant program to be triggered at the onset of high unemployment and declining economic periods.

S. 1432, "The Federal Capital Investment Program Information Act of 1983" was introduced by Senator Durenberger on June 8. That bill required the President to provide budget projections for major Federal capital investment programs and summarize the most recent needs assessments for these programs.

An additional hearing was held in July on the various proposals before the Committee. While there is widespread recognition that the magnitude of the problem requires a Federal program that would serve the long term needs of the Nation, the Committee felt that commitment to a particular course of action on a major public works improvement program would be premature. However, the Committee members believed that some action was needed to address the issue in this session.

The Committee decided that more specific information on the Nation's needs would help determine the appropriate mechanism to address the problem and reformulated S. 1330 to focus on this issue. The bill as reported has two basic components Title I establishes a National Council on Public Works Improvement to consolidate existing information on the condition of the Nation's infrastructure and recommend appropriate Federal responses. Title II requires an improved indentification and analysis of capital spending programs in the President's budget.

While this information will be helpful in refining the focus of Federal efforts on the infrastructure problem, the Committee shall continue exploring Federal program options. The Committee does not intend to postpone action on a Federal program until the Commission has concluded its work but will continue to examine the issue in the next session of Congress. In addition, the Committee is encouraged by efforts of State and local governments to develop innovative public works financing techniques, and will continue to review those efforts.

NEED FOR THE LEGISLATION

This bill essentially requires the development of new information and consolidation of existing data on public capital investments. The Committee believes it is justified in requiring these actions based on the findings of its initial investigation. This examination had two major facets: a review of current information on the scope of the problem and a search for possible solutions.

During its investigations, the Committee found that much of the data compiled on the condition of the Nation's public civil works was anecdotal. Solutions recommended by various proponents consequently did not analyze particular results to be expected from particular programs, but tended to assume that simply providing additional resources for investment in public civil works would improve the condition of the Nation's infrastructure. In addition, there was no consensus that any one funding mechanism would be particularly preferable.

Examples of the conflicting data and variety of options presented to the Committee are summarized below.

Studies of the condition of the Nation's public works improvements

In April of this year, the Congressional Budget Office estimated annual spending needs for seven major infrastructure categories in 1983–1990 as $53.4 billion dollars, or a total of some $800 billion if extrapolated to a fifteen year period (see table I). CBO suggested that, given the current structure of Federal programs, the Federal share of the annual expenditure required to meet those needs would have to increase $4.0 billion a year to $28.2 billion. CBO also suggested that revising Federal programs in order to encourage more efficient project selection by the States and cities could reduce the annual Federal share to $20.3 billion (see table II).

TABLE I.—ESTIMATED ANNUAL CAPITAL NEEDS FOR SELECTED INFRASTRUCTURE PROGRAMS UNDER CURRENT POLICY, 1983–90

[In billions of 1982 dollars]

Infrastructure system	Annual capital spending			Effective Federal share of total
	Total	New construction	Repair, rehabilitation, and replacement	
Highways	27.2	9.9	17.3	13.1
Public transit	5.5	2.2	3.3	4.1
Wastewater treatment	6.6	6.1	.5	4.2
Water resources	4.1	2.3	1.8	3.7
Air traffic control	.8	.1	.7	.8
Airports	1.5	1.0	.5	.9
Municipal water supply	7.7	3.6	4.1	1.4
Total	53.4	25.2	28.2	28.2

Source: Congressional Budget Office.

TABLE II.—FEDERAL SHARE OF ANNUAL CAPITAL INFRASTRUCTURE COSTS UNDER CURRENT AND REVISED POLICIES, 1983–90

[In billions of dollars]

Infrastructure system	Current spending level	Annual spending to meet alternative measures of need	
		Under current program structure	Under revised programs
Highways	12.7	13.1	9.3
Public transit	3.7	4.1	2.2
Wastewater treatment	3.2	4.2	3.7
Water resources	2.3	3.7	3.1
Air traffic control	.8	.8	.7

TABLE II.—FEDERAL SHARE OF ANNUAL CAPITAL INFRASTRUCTURE COSTS UNDER CURRENT AND REVISED POLICIES, 1983–90—Continued

[In billions of dollars]

Infrastructure system	Current spending level	Annual spending to meet alternative measures of need	
		Under current program structure	Under revised programs
Airports	.8	.9	.3
Municipal water supply	.9	1.4	1.0
Total	24.4	28.2	20.3

Source: Congressional Budget Office.

A survey of over 800 municipalities carried out by the National League of Cities and U.S. Conference of Mayors in 1982–1983 concluded that "relatively small, incremental amounts of assistance, whether provided by the cities themselves from their own resources or from other levels of government, could significantly improve the condition of priority infrastructure needs." The survey produced valuable findings, including data on the priorities cities set on various public works facilities, and on regional differentials in priorities and abilities to finance repair and replacement. The survey was not comprehensive, however, it did not cover special districts (such as public water authorities), not did it seek information on the need for expansion of existing facilities. The authors of the survey themselves concluded that "considerable further research needed to be done."

Some State surveys are less modest in their estimates of spending needs and less sanguine about the availability of resources to meet those needs. In New York state, for instance, preliminary results of a study carried out under the auspicies of the Joint Economic Committee of the Congress indicate $40.8 billion in spending needs during 1983–1987, with a revenue shortfall of more than $6.3 billion. A Connecticut survey estimated highway and bridge repair costs for the next ten years at $1.4 billion; the State expected that increased state borrowing or fuel tax increases would be needed to meet the costs.

The Connecticut survey followed the June, 1983, collapse of an Interstate highway bridge that killed three people. New York's study came immediately after two water main failures in the month of August in the heart of New York City. The subsequent business shutdowns put a dent of several hundred million dollars in the City's economy.

The Connecticut and New York incidents underscore the human and economic costs resulting from the neglect of the nation's public works improvements. At the same time, the numerous surveys and studies that the Committee has reviewed underscore the difficulty of agreeing on a uniform definition of what is included in the term "infrastructure". As a result of these difficulties in defining the problem and of measuring the condition of facilities, it is impossible to agree on reliable estimates of the economic magnitude of the problem.

Mechanisms suggested to solve the problem

As noted above various proposals have been advanced to prevent further deterioration of the existing infrastructure and encourage the development of new public capital investments that will be properly maintained, there is presently no consensus that one particular mechanism or combination of mechanisms is the best solution. Consequently, the Committee expects the Council established in the bill to review and evaluate the proposals presented to the Committee, explore any additional options which may be worthwhile, and recommend a long-term solution.

A wide variety of program options were proposed by various witnesses. These options ranged from major revisions in current Federal programs and simple tax increases to augment the resources available for public capital projects to initiation of new Federal grant and assistance programs.

Dr. Alice Rivlin of the Congressional Budget Office (CBO) testified before the Committee in July regarding CBO's analysis of the infrastructure problem. CBO's review of seven major national infrastructure systems led it to conclude that the current structure of Federal assistance programs for public capital investments is not well suited to meet the Nation's needs. CBO concluded that many Federal programs do not address high-priority problems or lead to the most cost-effective investments. In large part, CBO decided that this divergence is attributable to the fact that many of the purposes that originally motivated federal involvement in public works have been achieved. For example, alleviating poverty and developing the resources of entire river basins was a concern of the 1930's that prompted creation of Tennessee Valley Authority; that development has now largely been completed.

Dr. Rivlin recommended that the Committee examine approaches that would help realign user fees, limit the Federal role to infrastructure investments with clear national importance, and redirect existing federal aid to alter the current bias toward capital-intensive investment decisions. While the Committee agrees that on a preliminary basis these goals seem to be worthwhile, it is concerned that too heavy a reliance on the cost-effectiveness and revenue generating aspects of particular projects could preclude construction or maintenance of projects which are not self-supporting. It is intended that the Council examine both the short- and long-term consequences of such proposals on the eventual composition of public capital improvements plans.

Several witnesses recommended an expansion rather than a restriction of the Federal role in supporting public civil works maintenance and growth.

One witness suggested allowing state and local governments to issue taxable bonds for public works projects that would receive a direct Federal interest subsidy from the U.S. Treasury. This subsidy could be offered to state and local governments in exchange for increased State assumption of responsibilities for construction and maintenance of public works improvements. While the Committee is convinced of the economic efficiency of this proposal, it is concerned that independent financing and decentralized planning for

public civil works improvements might fail to significantly change the means of project selection and maintenance.

Many witnesses favored the state block grant proposal contained in S. 1330 as introduced in May. The bill provided grants to State "infrastructure banks" or other financing entities. State matching funds were required, and the pooled resources would be leveraged as loans. Representatives of other levels of government generally lauded the program as it would supplement existing categorical programs. Potential recipients also favored the flexibility in the program which would allow States to subsidize particular groups of users if this course of action seemed desirable. The infrastructure bank option also has the positive features of leveraging and flexibility. State banks could improve the use of public resources, allowing state and local governments to carryout their current capital spending plans while providing them with a reliable continuing source of funds for long-term infrastructure investment through maintenance of the fund.

Careful attention is needed to ensure that such a program would not merely substitute for existing programs, but would encourage increased capital investments, improve the capital planning process, encourage prudent maintenance, and eliminate the need for continued federal support of these efforts.

The Committee believes that the information on capital budgeting and the work of the Council will provide valuable background information on the level of need and the appropriate Federal solution to the Nation's infrastructure problem.

In addition, the Committee intends to ask the Congressional Budget Office to prepare an analysis of the President's proposed budget for Federal programs related to infrastructure. This study will help the Congress to compare the proposed level and forms of Federal spending on infrastructure with past trends in Federal, State, and local programs. The CBO projections should be disaggregated by major infrastructure categories and should distinguish between new construction and maintenance expenditures. In addition to comparing the proposed level of Federal spending with past levels, the CBO analysis should consider the effect of any changes proposed by the Administration on the effectiveness of federal spending and on the sharing of responsibilities among Federal, State, and local governments. The study should include analysis of special issues of interest to this committee such as the relationship between the proposed spending levels and various measures of the demand for infrastructure-based services, and the report of this work should be completed no later than 60 days after submission of the President's budget for fiscal year 1986.

The Committee does not intend to delay its consideration of the infrastructure issue until the various reports and recommendations become available.

Further hearings on legislative proposals addressing these concerns will be held in the second session of the 98th Congress. The Committee will report additional legislation in the next session as further analysis of the needs and potential solutions to this problem is completed.

SECTION-BY-SECTION ANALYSIS

Title I. National council

This title establishes a National Council on Public Works Improvement to analyze the condition of existing public works facilities and recommend appropriate Federal actions.

Section 101: National Council on Public Works Improvement

Section 101 creates a fifteen member National Council on Public Works Improvement.

The Council is to be composed of the five major agencies which administer Federal public works programs, the leaders of the major public interest associations representing other levels of government in the United States, and four individuals expert in areas of the infrastructure issue that the Council will examine.

The Secretary of the Army is designated as Chairman of the Council in light of the fact that the civil works programs of the Army Corps of Engineers fall under his authority. The Corps of Engineers, throughout much of the nineteenth century, was the Nation's foremost development organization. The Corps planned and built the roads and waterways that were the public works underpinnings of settlement of the frontier.

The Corps remains the chief repository within the Federal establishment of public works planning and engineering experience. The cost-benefit analyses that the Corps uses to evaluate water resources projects should prove particularly useful to the Council's efforts to analyze the nation's public works needs.

Section 102: Council Administration

Section 102 authorizes administrative support and appropriations for the Council.

Subsection (a) authorizes up to thirty full-time government employees to be detailed to the Council from various agencies. Most, if not all the employees would be expected to come from the agencies represented on the Council. The Committee expects that this is sufficient staff to carry out much of the work of the Council in-house, to be supplemented by contracting with outside experts. Moreover, the Committee believes there is significiant value in building up expertise on this issue in the permanent civil service of the government.

Subsection (b) directs the Chief of Engineers to assign a staff director for the council and to provide administrative support services to the Council. The staff director could be either a civilian or military employee of the Corps' civil works program. Administrative support services, which would be reimbursed to the Corps from the Council's appropriations, include but are not limited to office space, supplies, and equipment, contract procurement of supplies and services, data processing, and travel and meeting arrangements.

Subsection (c) directs Federal agencies to cooperate with the Council. Many Federal agencies compile significant amounts of information on national infrastructure needs in formulating their own annual programs. For instance the Federal Highway Adminis-

tration of the Department of Transportation compiles a biannual report on national highway needs for the Congress that examines such features of Federal highways as pavement conditions. Such information would, of course, be useful to the Council. The council should not duplicate the efforts of other Federal agencies.

The Council might also need assistance from various agencies outside its membership, including the Office of Management and Budget and the Departments of Labor and Commerce, in producing special studies from Federal statistical resources. In most instances, this assistance would be given without any requirement of reimbursement from the Council.

Subsection (d) directs the Council to hold its first meeting within two months of enactment of the bill, notwithstanding any vacancies in the four private members to be selected by the President. There should be no untoward delays in such selection, but it may take longer than two months for the President to identify and obtain acceptances from distinguished private experts.

Subsection (e) provides the authority for administrative and investigative functions which the Council will need to complete its job.

Subsection (f) authorizes a transfer to the Council of up to $500,000 within the Army-civil works budget for fiscal year 1984 in order to allow the Council to begin operations as quickly as possible. Studies of water resources projects and other civil works are frequently performed by the Secretary under similar statutory language. In the subsequent two years, the subsection provides a separate authorization for the Council. No authorizations are provided beyond that time, as the Council's work is to be completed by the end of fiscal year 1986. The Committee intends to review the Council's work as it proceeds and to determine whether the Council or any similar organization is needed after that date. That determination may depend on the form of Federal actions the Council recommends.

Section 103: Assessment of Public Capital Improvements

Summary

Section 103 describes reports to be completed by the Council by the end of fiscal year 1985.

Description

Subsection (a) requires the Council to prepare a report to be presented simultaneously to the President and the Congress by September 30, 1985. The report includes an assessment of public works improvements throughout the Nation. The assessment is to include an analysis of the average age and condition of various types of public works facilities, a study of the various means used to finance construction, rehabilitation and maintenance of those facilities, and an estimate of the capacity of public works improvements to sustain economic activity throughout the Nation and in specific regions, states, and major metropolitan areas.

The Committee hearings on the capital investment problem uncovered the fact that there is little reliable and comprehensive data on the condition of public works, and even less data on the adequa-

cy of existing public works financing sources. More important, no studies exist that address the fundamental underlying question in this area: What is the relationship between the capacity and condition of public works and the health of the Nation's economy and its commercial and residential population?

Subsection (b) requires the Council to complete by September 30, 1985 the development of uniform criteria and methodologies for conducting public works inventories. A current problem in the field is the inconsistency among current infrastructure studies in defining the types of facilities surveyed, and in describing their physical condition (e.g., what does "obsolete" or "inadequate" mean). The Council should consult widely with states and cities in developing these criteria.

Section 104: Changes in Federal Programs

Section 104 requires the Council to issue recommendations for changes in Federal laws, regulations, and policies and for alternations in the allocation of responsibilities among Federal, State and local governments that would, both immediately and permanently, lead to improvements in the condition and capacity of the nation's public works improvements. The Council is required to issue the recommendations by the end of fiscal year 1986.

This section requires the Council to transmit a detailed report to Congress and the President on alterations in current programs and responsibilities that will improve the state of the nation's infrastructure. These recommendations are to be based on the assessments prepared pursuant to section 103 and further consultations and deliberations of the Council. The Council's recommendations are expected to encompass all public capital investment programs. The Council may recommend extensive alterations to existing Federal categorical grant programs, including alterations in the formulas used to distribute Federal funds, changes in the restrictions or incentives attached to the distribution of those Federal funds, and elimination or consolidation of programs and the initiation of new programs.

During its hearings, the Committee was told a number of times that some existing Federal programs may provide too much assistance for new construction while offering no incentive for States and local governments to maintain these investments. The Committee was told that the formulas used to distribute some Federal program funds have ignored not only initial needs but the fiscal capacity of the entities responsible for project maintenance.

The Council is directed to pay particular attention to opportunities to restructure Federal, State, and local programs to eliminate duplication. The Council is also to call attention to regulations or procedures that contribute to waste or to delays in carrying out public works programs.

Several witnesses before the Committee and many recent studies have suggested that the country is making too little use of user fees to finance public works improvements. The Council should pay particular attention to the potential source of revenue that user fees represent and should also assess the equitability of imposing user fees for various public works services.

Finally, there is too little research effort being devoted to public works construction and rehabilitation. The scale of activities carried out by cities and States is generally too small to support expenditure on either basic or applied research. Very few private concerns conduct extensive research, either. But the Committee was told that innovative new equipment has saved considerable money in such areas as street repaving and in detection of leaks in underground pipes. The Council is directed to investigate the need for a Federal effort in this area.

Title II: Identification of capital investments

The purposes of this title are to provide the Congress and State and local governments with budgetary information on the Nation's public capital investment programs and the effect of public spending policies on the future capital investment needs of the Nation. The information and assessment is to be provided by the President annually as an expansion of the existing Special Analysis D "Investment, Operating, and other Federal outlays" which is transmitted with the Budget. The title in no way affects the unified budget of the United States Government or the budget process of the Congress.

Section 201: Budgetary Information on Public Capital Investments

Section 201 requires the President to include an analysis of public capital expenditures in his annual budget submission. The reporting requirements are effective for the budget transmitted after January 1, 1985, i.e. for fiscal year 1986.

This section contains the definition of public capital investment to be used by the President in his report and specifies some of the elements to be considered in that analysis. Its provisions are similar to those contained in H.R. 1244, The Federal Capital Investment Budget Act of 1983 reported by the Committee on Public Works and Transportation of the Hosue of Representatives.

The President is specifically required to submit a variety of spending projections in current dollars for the ensuing 10 year period and in constant dollars for a period of 5 years becasue consistent comparative information on future expenditures for capital investment programs is a necessary element in planning at the State and local level and in the budget deliberations of the Congress.

This section also requires that the President's budget submission include a summary on the most recent needs assessment for each major capital investment program and further requires that those summaries use a standard format and be based on similar assumptions. This requirement is established because the agencies which administer various capital investment programs periodically prepare needs assessments for those programs. Although this information is available to the Congress and to State and local governments, the assumptions and formats used by the agencies are disparate. A comprehensive summary would facilitate the planning process at the State and local level and enable the Congress to judge priorities and needs across agencies and capital investment programs.

This title also requires that the budget submission include a review of the major policy issues which might affect the needs assessments or future expenditures of the Federal Government in order to facilitate development of an integrated national infrastructure plan.

The information described above is to be organized on a State-by-State basis for federally assisted capital investment programs which use formulas to distribute the funds to State and local governments. Where possible a detailed summary of expenditures in each major metropolitan area is to be included.

To assure the successful implementation of this title the Office of Management and Budget should work closely with the Federal agencies to update and improve program information systems.

Economic, engineering and policy factors which affect the level of capital investment must be given more careful attention by the Executive Branch, the Congress and State and local governments. This legislation is a necessary step toward improving the Federal Government's ability to finance and manage its substantial investment in public captial facilities. However, this title is only a small step in that direction.

HEARINGS

The Committee on Environment and Public Works held seven hearings on the issues addressed by S. 1330 in the 98th Congress. Over nine hundred pages of testimony and exhibits have been included in the hearing record. All hearings were conducted in Washington, D.C.

The Committee held four markup sessions during which S. 1330 was considered. The bill was ordered reported on November 3, 1983.

ROLLCALL VOTES

Section 7(b) of rule XXVI of the Standing Rules of the Senate and the rules of the Committee on Environment and Public Works require that any rollcall votes taken during consideration of this bill be announced in this report.

During the Committee's consideration of S. 1330 one rollcall vote was taken. The Committee voted to report S. 1330 by a vote of 15-to-1. Voting in the affirmative to report the bill from the full Committee were Senators Stafford, Abdnor, Baker, Chafee, Domenici, Durenberger, Humphrey, Simpson, Randolph, Bentsen, Baucus, Burdick, Hart, Moynihan, and Mitchell. Senator Symms voted no.

EVALUATION OF REGULATORY IMPACT

In accordance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the committee has evaluated the regulatory impact of the bill. This bill creates no new regulatory functions.

COST OF LEGISLATION

Section 403 of the Congressional Budget and Impoundment Control Act of 1974 requires each bill to contain a statement of the cost of such bill prepared by the Congressional Budget Office. That report follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., November 18, 1983.

Hon. ROBERT T. STAFFORD,
Chairman, Committee on Environment and Public Works,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The Congressional Budget Office has reviewed S. 1330, the Public Works Improvement Act of 1983, as ordered reported by your committee on November 3, 1983. We estimate that the federal government would spend $7.5 million if this bill is enacted, including $500,000 in fiscal year 1984 from funds already appropriated to the Corps of Engineers and additional authorizations of $3.5 million in fiscal years 1985 and 1986.

The bill establishes a National Council of Public Works Improvement and gives it the responsibility for analyzing and reporting to Congress on the status of national public works. The Council is also expected to recommend changes in the federal government's role in improving public works facilities.

In conjunction with the responsibilities of the Council, the bill also requires that the Executive Branch provide additional information on federal expenditures and projected spending for public works in its annual budget, starting with the fiscal year 1986 request. This data appears to be readily available or easily developed without significant additional expense by the Office of Management and Budget and concerned agencies.

States and local governments will not incur additional costs if this bill is enacted.

Further details on its estimate can be obtained from Linwood Lloyd of our Budget Analysis Division.

Sincerely,

RUDOLPH G. PENNER.

CHANGES IN EXISTING LAW

In the opinion of the committee, it is necessary to dispense with this section in order to expedite the business of the Senate.

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